

Service Date: September 22, 1978

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER of the Application)
of MONTANA-DAKOTA UTILITIES CO.) DOCKET NO. 6612
for Authority to Increase Natural)
Gas Rates.) INTERIM ORDER NO. 4455

FINDINGS OF FACT

1. On August 28, 1978, MONTANA-DAKOTA UTILITIES CO. (MDU) filed its quarterly application for the quarter ended June 30, 1978, for authority to increase natural gas rates to residential and commercial customers by 1.064 per Mcf at local sales base pressure, and to increase natural gas rates to industrial customers by 1.154 per Mcf at 14.73 p.s.i.a. The application was accepted by the Commission
2. The Commission has determined in prior cases that a hearing confined to the single issue of the cost of purchased gas was appropriate. A responsible regulatory procedure is necessary to timely handle gas tracking applications resulting from: (1) quarterly adjustments to the wellhead price of purchased gas mandated by the Federal Energy Regulatory Commission; (2) the changing mix and volumes of the natural gas supply; and (3) the impending phased deregulation of natural gas prices by Congress.
3. The Commission in adopting a procedure to implement rates for changing purchased gas costs on a temporary basis, subject to rebate pending an opportunity for public hearing and a final decision, satisfies that requirement. This approach to the handling of actual purchased gas costs

assures that the utility and the consumer will be fairly and timely treated--whether the rate adjustment is an increase or a decrease. The opportunity for public hearing through a notice of proposed hearing meets the statutory requirements and assures that the Montana Consumer Counsel consultants and Commission Staff will examine the accuracy and legitimacy of the proposed gas costs. This procedure recognizes that the Commission is responsible to verify the appropriateness and accuracy of the alleged purchased gas costs, which is essentially an accounting matter. To the extent that the Commission determines that the purchased gas costs are actual and legitimate, those costs must be reflected in the rates to consumers in a timely fashion.

CONCLUSIONS OF LAW

1. This Commission has authority, under RCM 1947, Section 70-113, as amended, to grant a temporary increase pending hearing.

2. The increase in operating revenues of \$229,647. temporarily approved herein appears to be justified on the facts presented to the Commission.

ORDER

1. Applicant shall file rate schedules effective upon Commission approval which will increase residential and commercial rates by 1.064 per Mcf at local sales pressure and industrial rates by 1.164 per Mcf at 14.73 p.s.i.a.

2. This is a temporary order. The rates approved herein are subject to change upon issuance of a final order by the Commission.

DONE IN OPEN SESSION at a meeting of the Montana Public Service Commission held on the 20th day of September, 1978 by a vote of 5-0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

GORDON E. BOLLINGER, Chairman

P. J. GILFEATHER, Commissioner

THOMAS J. SCHNEIDER, Commissioner

JAMES R. SHEA, Commissioner

GEORGE TURMAN, Commissioner

ATTEST:

Madeline L. Cottrill
Secretary

(SEAL)

NOTICE: You are entitled to judicial review of the final decision in this matter. If no Motion For Reconsideration is filed, judicial review may be obtained by filing a petition for review within thirty (30) days from the service of this order. If a Motion For Reconsideration is filed, a Commission order is final for purpose of appeal upon the entry of a ruling on that motion, or upon the passage of ten (10) days following the filing of that motion. cf. the Montana Administrative Procedure Act, esp. Sec. 82-4216, RCM 1947; and Commission Rules of Practice and Procedure, esp. 38-2.2(64)-P2750, ARM.